



The Bureau of Land Management Today

Our Vision

To enhance the quality of life for all citizens through the balanced stewardship of America's public lands and resources.

Our Mission

To sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Our Values

To serve with honesty, integrity, accountability, respect, courage, and commitment to make a difference.

Our Priorities

To improve the health and productivity of the land to support the BLM multiple-use mission.

To cultivate community-based conservation, citizen-centered stewardship, and partnership through consultation, cooperation, and communication.

To respect, value, and support our employees, giving them resources and opportunities to succeed.

To pursue excellence in business practices, improve accountability to our stakeholders, and deliver better service to our customers.

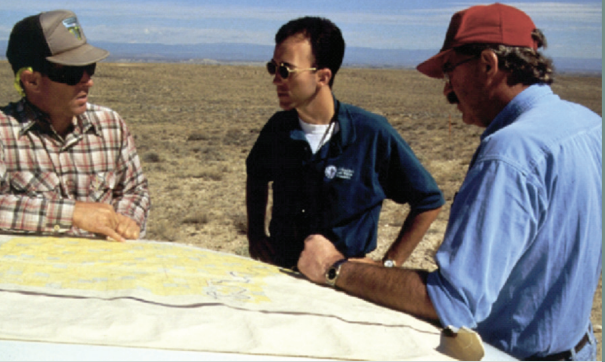
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Split Estate

Rights, Responsibilities, and Opportunities

www.blm.gov/bmp





Planning and Lease Sales

The BLM manages 700 million acres of subsurface mineral estate nationwide, including approximately 58 million acres where the surface is privately owned. In many cases, the surface rights and mineral rights were severed under the terms of the Nation’s homesteading laws. These and other Federal laws, regulations, and BLM policy directives give managers the authority and direction for administering the development of Federal oil and natural gas resources beneath privately owned surface:

- Coal Lands Acts of 1909 and 1910
- Agricultural Entry Act of 1914
- Stock Raising Homestead Act of 1916
- Mineral Leasing Act of 1920 and amendments
- Federal Land Policy and Management Act of 1976
- Onshore Oil and Gas Orders Nos. 1 and 7
- Oil and Gas Gold Book
- BLM Instruction Memorandums

Under these laws, regulations, and procedures, the leasing and development of Federal oil and natural gas resources occur in four phases:

- Planning and Lease Sales
- Permitting and Development
- Operations and Production
- Plugging and Surface Reclamation

In each phase, the BLM, the lessee/operator, and the private surface owner have rights, responsibilities, and opportunities.

Parcels of land or mineral estate ***open*** for leasing under the terms of a BLM land use plan may be nominated for leasing by members of the public. The BLM reviews every nomination to ensure that leasing the parcel would conform with the terms of the land use plan, which has been developed previously with broad public input.

The initial term for a Federal oil and gas lease is 10 years, but production can extend the lease period. Successfully bidding on and acquiring the oil and gas lease gives the lessee or designated operator the right to enter and occupy as much of the surface as is reasonably required to explore, drill, and remove the oil and natural gas resource on the leasehold. However, this right is not absolute. The BLM works to encourage coordination and cooperation among all parties that have rights and responsibilities in split estate situations.

Permitting and Development

3814 Bond

Encourages the operator to contact the surface owner as early as possible when operations are contemplated.

Requires the operator to make a good faith effort to negotiate a surface use agreement with the surface owner.

Will invite the surface owner to participate in the pre-drilling onsite inspection, and **seeks** the surface owner’s input on development issues.

Offers the surface owner the same level of protection provided on federally owned surface.

Carefully considers the surface owner’s views and the effects on the surface owner’s uses before determining mitigation measures.

Must bond the operator for operations and reclamation in accordance with Chapter 43, Section 3104 of the Code of Federal Regulations (3104 performance Bond).

Bonds the operator separately (3814 damages Bond) for an amount sufficient to protect the surface owner against reasonable and foreseeable damage to or loss of *crops and tangible improvements*, if a good-faith effort by the operator does not produce an agreement with the surface owner.

Advises the surface owner of the right to object and appeal the sufficiency of a 3814 Bond and **reviews** the sufficiency if the surface owner objects to the bond amount.

Must fulfill the requirements of the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act, the Clean Water Act, and other applicable laws that protect surface resources.

Takes enforcement action to address operations not complying with lease and permit terms.

Must seek the surface owner’s written concurrence that reclamation is satisfactory.

The Lessee/Operator:

May participate in and comment on preparation of land use plans and amendments.

May nominate parcels for leasing.

Should coordinate and consult with the BLM and the surface owner as early as possible.

Must participate in the onsite inspection the BLM schedules for the Notice of Staking or the Application for Permit to Drill.

Must identify the surface owner and include the owner’s name and address (and telephone number, if available) in the Notice of Staking, Application for Permit to Drill, and Sundry Notices.

Must make a good faith effort to obtain a surface use agreement with the surface owner.

Must certify to the BLM that he or she made a good faith effort to reach an agreement with the surface owner or that a good faith effort to reach an agreement failed.

Must submit an adequate 3104 performance Bond for operations and reclamation.

Must submit a separate 3814 damages Bond to the BLM for the benefit of the surface owner if good faith efforts to obtain a surface use agreement fail.

Is responsible for making access arrangements with the surface owner prior to entry upon the lands for the purpose of surveying, staking, or to conduct cultural or biological surveys.

Must comply with the terms of the lease, the Application for Permit to Drill, and the Conditions of Approval.

Must include a surface reclamation plan in the Surface Use Plan of Operations.

Must complete reclamation to the satisfaction of the BLM.

The Private Surface Owner:

Is strongly encouraged to participate in and comment on the preparation of land use plans and amendments.

Has the right, as a member of the public, to comment on pending lease sales and proposed lease stipulations.

Can expect to be contacted by the lessee/operator prior to entry and staking to discuss access arrangements and begin discussions on the terms of a surface use agreement.

Will be invited to participate in onsite inspections during the Notice of Staking and/or Application for Permit to Drill process.

Will be asked to sign the statement certifying the effort to conclude a surface use agreement.

Is entitled to the same level of surface protection that is provided on Federal surface.

Can respond to the BLM’s request for recommendations on addressing surface construction and reclamation issues.

Will have his or her views on protection standards and limits carefully considered as the BLM determines the surface use conditions of approval.

Has the right to object and appeal the sufficiency of the 3814 damages Bond to the BLM and will be advised of this right by the BLM if a 3814 Bond is necessary.

Will have bond-sufficiency objections reviewed by the BLM in a timely manner.

Is entitled to seek compensation from the operator for damages to *crops or tangible improvements*, and if not satisfied, can file a claim in court for payment under the 3814 damages Bond.

Is encouraged to report non-compliance incidents to the BLM.

Can expect to have appropriate inspection and enforcement action taken.

May concur that final reclamation is satisfactory or recommend additional actions.